

## Special Feature

In today's environment, US forces have been called on to make numerous overseas deployments, many on short notice—using downsized Cold War legacy force and support structures—to meet a wide range of mission requirements associated with peacekeeping and humanitarian relief, while maintaining the capability to engage in major combat operations such as those associated with operations over Iraq, Serbia, and Afghanistan.

# logistics challenges

## **Global Combat Support System: A Must for the Warfighting Commander** **Contractors in Contingency Operations: Panacea or Pain**

The dramatic increase in deployments from the continental United States, combined with the reduction of military resource levels, has increased the need for effective combat support. Because CS resources are heavy and constitute a large portion of the deployments, they have the potential to enable or constrain operational goals, particularly in today's environment, which is so dependent on rapid deployment. Central to solving the CS equation is streamlining CS deployment processes, leaning deployment packages, evaluating technologies that speed deployment, and the need for logistics management systems that keep pace with the evolving nature of war. Newkirk and Currie in "Global Combat Support System: A Must for the Warfighting Commander" argue for the need to link the network-centric warfare

concept to logistics and for selection of a logistics management system that fully integrates requirements.

The history of contractor support for the US military can be traced to the Revolutionary War. Some level of contractor support has been a fact of life through all the major and minor conflicts of the 19<sup>th</sup> and 20<sup>th</sup> centuries. However, since the Vietnam conflict, contractors have been called on to perform work that directly supports military missions—work that increased their presence near or on the battlefield. This has led to significant issues—contractor status, service doctrine, contract versus organic capabilities, host-nation support contracts, and actual money and manpower savings. "In Contractors in Contingency Operations: Panacea or Pain?" Manker and Williams examine these issues and draw a variety of conclusions.

## Special Feature

### Introduction

The Department of Defense (DoD) has become increasingly reliant on contractors to accomplish the mission. Declining budgets and the reduction in force structure stemming from the peace dividend from the end of the Cold War forced the DoD to seek less expensive and more efficient ways of doing

business. More and more, contractors are being called on to perform tasks historically performed by military personnel.

A myriad of factors addressed in the forthcoming pages drive continued reliance on contractors. One reason, often touted, is that contracting out operations saves money. On the surface, this seems to be true, but is the United States really saving money? Is the military required to *prove it*?

### Background

Using contractors in military operations is not a new phenomenon. In fact, contractor use by the United States began

prior to the Revolutionary War. During the Revolutionary War, the United States used contractors to move supplies to the front line.<sup>1</sup> Since then, contractors have filled important support roles in every conflict with US involvement, including Operation Iraqi Freedom. Table 1 shows civilian and contractor support levels in US conflicts, up to and including operations in Bosnia. Although figures are not yet available, the number of contractor persons providing support during Iraqi Freedom is sure to be a staggeringly large number. During the first Gulf War and again in Iraqi Freedom, the United States relied extensively on host-nation support contracts. The military, either directly or through host-nation support contracts, contracted for such items as cooks, water delivery, construction labor, and truck drivers. During Iraqi Freedom, third country national contractor persons numbered in the thousands in Kuwait alone.<sup>2</sup>

As the reliance on contractors has grown, the types of tasks contractors are being called on to perform are increasing as well. Contractors are finding their way into every facet of operations. Where the United States once relied on contractors solely for logistical support, contractor personnel now maintain and operate systems supporting the combatant commander. In some cases, contractors are being called on because they provide an expertise not organically possessed within the military. In other cases, they are being called on because they provide services faster, less expensive, and with less overhead than the military. Regardless of the reason, as contractors become more and more integrated into operations, the lines between combatant and noncombatant status are being blurred.

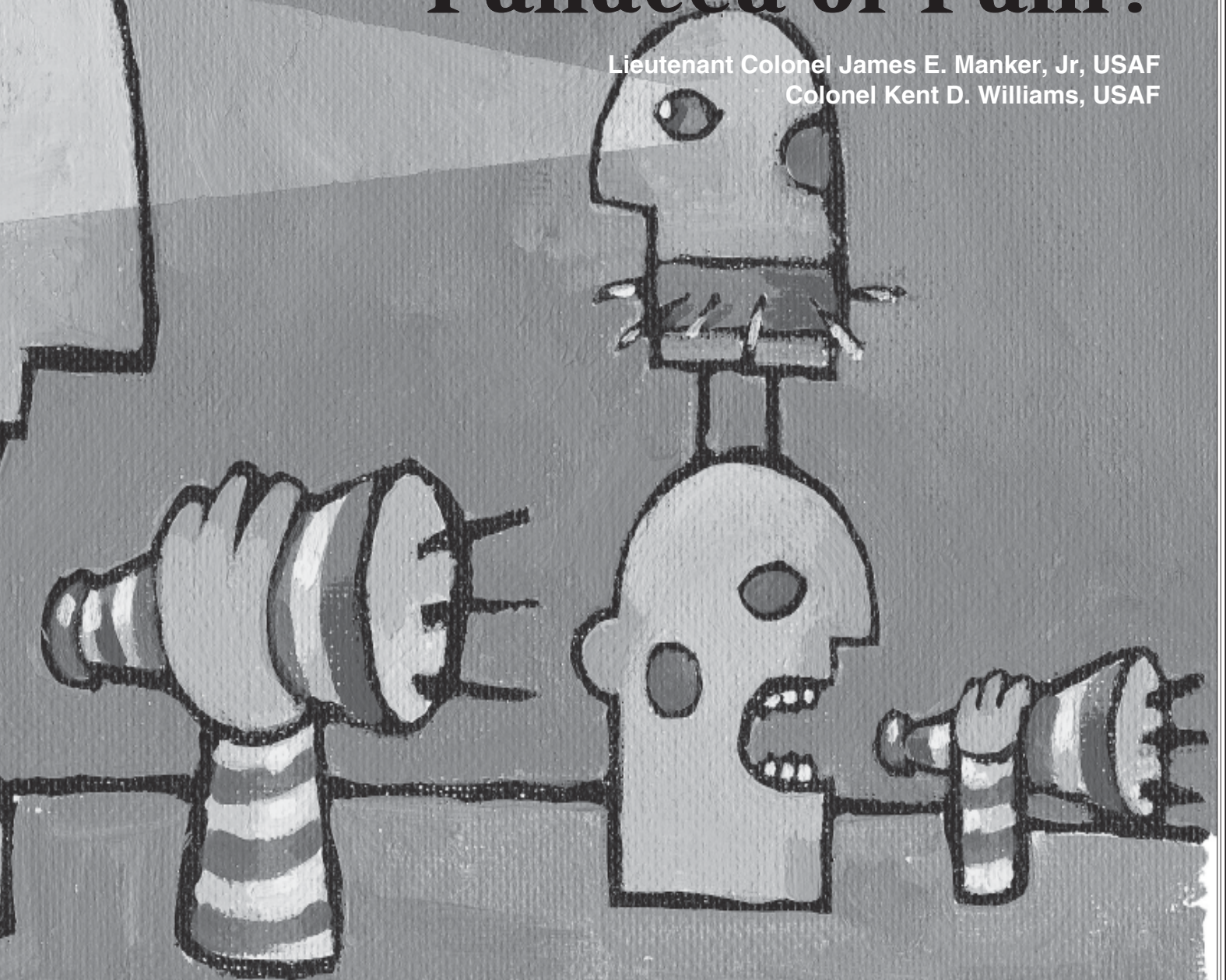
As the role of the contractor has expanded, the contractor's proximity to the battlefield has decreased. In the modern warfare era, there no longer is a distinctive line between battling forces. As a result, the contractors may find themselves close to the





# Contractors in Contingency Operations Panacea or Pain?

Lieutenant Colonel James E. Manker, Jr, USAF  
Colonel Kent D. Williams, USAF





War/Conflict	Civilians	Military	Ratio
Revolution	1,500 (est)	9,000	1:6 (est)
Mexican/ American	6,000 (est)	33,000	1:6 (est)
Civil War	200,000 (est)	1,000,000	1:5 (est)
World War I	85,000	2,000,000	1:2
World War II	734,000	5,400,000	1:7
Korean Conflict	153,000	393,000	1:2.5
Vietnam Conflict	70,000	359,000	1:6
Desert Storm	9,000	400,000+	1:5
Bosnia	300	3,000	1:10

**Table 1. Contractors and Civilians on the Battlefield<sup>3</sup>**

forward edge of the battlefield conducting activities, whether intentional or unintentionally.

Contractors who are supporting military operations are deployed globally, including the Central Command Area of Responsibility, providing support across Iraq. Contractors face the same dangers that military personnel encounter in the Middle East. During the conflict, they faced the potential for Scud attacks. Since our move into Iraq, contractors have suffered firsthand from attacks.

Even when the contractor is not fully deployed to the forward edge of the battlefield, the Global War on Terrorism poses a new threat to the theater of operation. Force protection issues have taken on increased importance with the deployed commanders. Their worries are not limited to the enemy's fielded forces and

Contractors also present challenges and concerns to forward-deployed commanders. Depending on the contract agreement, the deployed commander may have responsibility for providing force protection. If not specifically stated, do contractors have a right to the same level of protection? If so, who is responsible for providing the support? Depending on the service, the answer varies. Can a commander compel contract employees to perform if they refuse?

A myriad of factors addressed in the forthcoming pages drive continued reliance on contractors. One reason often touted is that contracting out operations saves money. On the surface this seems to be true, but is the United States really saving money? Is the military required to *prove it*?

### **Why Is the Military Increasingly Reliant on Contracts?**

Although not a new phenomenon, contractors are prevalent in all phases of military operations. In the wake of 11 September 2001, the Air Force requested an end-strength increase of 7,000 persons.<sup>4</sup> Secretary of Defense Donald Rumsfeld rejected these plans stating the Air Force should contract out those jobs that could be outsourced and use the savings to satisfy newly identified requirements.<sup>5</sup> The need for additional manpower supporting the Global War on Terrorism, coupled with tight

## **The growing complexity of these advanced weapon systems has led to further reliance on contractor support closer and closer to the battlefield.**

their inherent threats; now contemporary warfare and the threat of insurgencies bringing the battle to the rear area is a reality. Rear locations, once considered safe havens for troops to rest and relax, are potentially as dangerous as the front lines. This danger is not limited to troops: Americans and those who support American efforts are now targets. In many cases, the contractor poses a *softer* target to terrorists and is targeted specifically for that reason. News reports from Iraq indicate terrorists are actually targeting contractors and nongovernmental organization personnel because they are easy marks. During the last year, contractors were captured and killed supporting US military operations in Central America and the Middle East.

Contractors present multiple challenges to combatant commanders. Their status while deployed supporting contingency operations presents a real problem. The nature of the tasks contractors perform often blur the line between combatant and noncombatant status. Additionally, only a few status of forces agreements exist between the United States and countries around the globe that specify the status contractors will enjoy while deployed with forces. For those countries in which contractors are not covered by a status of forces agreement, the question arises as to the military's responsibility to ensure contractors understand the law and, more important, follow the law. Further, combatant commanders bear responsibility to account for contractors deployed to their areas of responsibility—unfortunately, responsibility does not constitute adherence.

defense budgets, is moving outsourcing and privatization from the *virtue* to the *necessity* category.<sup>6</sup> Everywhere the United States deploys forces, there is likely to be a contractor assisting in one form or another. As discussed, the military has not gone to war without contractors providing support. Blurring the line between military and civilian, they provide everything from logistical support to battlefield training, as well as advise the military at home and abroad.<sup>7</sup> In some cases, contractors perform traditional military roles in parts of the world the military no longer has the strength to perform the duties.<sup>8</sup> One of the main reasons for using a contractor is saving the United States from using troops in positions not requiring warfighting skills so those troops can focus on positions requiring warfighting skills.<sup>9</sup> Additionally, in the Air Force's case, the air expeditionary force (AEF) construct provides air force personnel with deployment lengths of 90 days. Contractors represent a steady workforce to provide continuity at deployed locations. Certainly, a multitude of reasons exists for using contractors versus possessing an organic capability. The following discussion focuses on four dramatic reductions in uniformed personnel strengths in the DoD: the need to refine the tooth-to-tail ratio, thereby improving the cost effectiveness of the DoD; increasing complexity of fielded systems; and internally or externally mandated limitations on troop strengths participating in contingencies.<sup>10</sup>

Troop strengths since the late 1980s have decreased dramatically, while the operations tempo has increased. As part

# Article Highlights

## Issues regarding host-nation support contracts must be clarified.

**D**eclining budgets and the reduction in force structure stemming from the peace dividend accrued at the end of the Cold War have forced the Department of Defense to seek less expensive and more efficient processes and ways of doing business. As a result, contractors are being used to perform tasks that historically have been the purview of military personnel—tasks that often put them much closer to or on the battlefield.

In this article, Manker and Williams examine the implications and issues associated with the increasing role of contractors. In the course of the article, they outline the key issues—when contractors refuse to perform, dangers posed to and by contractors, and host-nation contracts. They conclude that contractor status while serving in forward-deployed locations needs to be clarified and addressed, service doctrine needs to change and address several major issues or problems—force protection of contractor personnel and commander authority over contractor personnel—critical missions that have been contracted out must be identified and an organic capability developed, the Services must develop a consistent methodology to measure whether combatant commanders are actually saving money by using contract support, issues regarding host-nation support contracts must be clarified, and combatant commanders need tools to keep track of contractor personnel in their area of responsibility.

of the peace dividend from the end of the Cold War, the DoD reduced its uniformed force by more than 700,000 active-duty military persons and its civilian workforce by more than 300,000.<sup>11</sup> Despite the fact that the Cold War ended, the operations tempo and likelihood of military deployments for the military actually increased. Since the end of the Cold War, the military has deployed with a frequency nearly five times higher than before.<sup>12</sup> The Guard and Reserve are not immune to this trend—their strength decreased more than 1 million, while the number of man-days served per year continues to increase.<sup>13</sup> The mission continues to grow while personnel available to accomplish the mission steadily decreased. Increased reliance on outsourcing proves to be one of the few reasonable alternatives.

Reduction in personnel forced the DoD to recognize the need to refine its tooth-to-tail ratio. During the mid-1990s, Vice President Al Gore's *reinventing government* initiative placed further emphasis on outsourcing and privatization.<sup>14</sup> A report by Business Executives for National Security stated there is an acute need for DoD to fix the way it manages its service and support infrastructure. While the military continues to reduce and reorganize its fighting forces, spending on support functions has remained stable or even grown. Nearly 70 percent, roughly \$160B annually, of the defense budget is going to areas considered the *tail* or support portion of the military.<sup>15</sup> With such a large percentage going to support, that leaves limited dollars for the primary purpose of the DoD, fighting and winning wars—the *tooth*. Many of the functions accomplished by uniformed personnel could be accomplished easily by contractor personnel with little to no degradation in service. The 2001 Quadrennial Defense Review stated that the contractor-to-soldier ratio will continue to rise, and contracting out battlefield services will become a standard operating procedure for the military.<sup>16</sup> With the number of contingencies the military finds itself involved in with a limited number of troops to draw from, the logical outcome is contracting out heretofore inherently military functions. During a recent interview Rumsfeld was asked whether contractors hired under the Army's Force XXI concept would be on the battlefield. He responded that combatant commanders decide employment of assets; however, because of the type of work, some contractors likely will be on or near the battlefield.<sup>17</sup>

The ability to downsize has been, at least partially, mitigated by the growing lethality of weapon systems. From an air perspective, a mission that might have taken multiple sorties to accomplish before can be achieved with a single sortie using precision-guided munitions launched from technologically advanced and complex platforms. In fact, using the B2 bomber during Iraqi Freedom, the Air Force was able to attack multiple targets with a single sortie. These advancements are not limited to the Air Force; all the Services are experiencing such technological advances. These advancements reduce the number of military in theater but may increase the number of contractors.

The growing complexity of these advanced weapon systems has led to further reliance on contractor support closer and closer to the battlefield. In many cases, we do not have enough of these low-density, high-demand platforms to develop an organic repair capability. In other cases, increasingly sophisticated military software and hardware have fueled outsourcing. Development of an organic repair capability would take years; by which time, the software and hardware and, therefore, the repair capability would be obsolete.<sup>18</sup> Further, some systems, such as a new truck being

fielded by the Marine Corps, were designed and implemented with contractor support planned as the principal means of repair.<sup>19</sup> The military is making a conscious decision to allow contractors to perform all services associated with a system, from cradle to grave.

In addition to repairing equipment, contractors increasingly are being called on to operate systems.<sup>20</sup> During the first Gulf War, contractors flew side by side Air Force personnel on joint surveillance aircraft and target attack radar system aircraft, providing much needed technical support on the newly fielded platforms.<sup>21</sup> All these trends leading to increased reliance on contractors also lead to the potential of placing contractors in harm's way.

Finally, the necessity to use contractors often is driven by the need to keep force strength below mandated levels. These force strength restrictions can originate from Congress, the President, or the host nation. During Vietnam, Desert Storm, and Kosovo, contractors allowed the military to deploy more firepower while staying below congressionally mandated limits.<sup>22</sup> In essence, you keep the numbers down while contractors make up the difference.<sup>23</sup> The host nation can and has placed limitations, by way of a status of forces agreement, on the number of military forces deployed to a contingency.<sup>24</sup> The use of indigenous support contractors reduces the need to deploy support functions while the indigenous support does not count against the total number of forces deployed to a region. This allows for deployment of larger numbers of fighting *tooth* forces without increasing the need to deploy support *tail* forces. An added incentive to hiring indigenous contract personnel is that local manpower often is considerably cheaper than military support or US-provided manpower. In addition, hiring local contract personnel provides economic stimulus to the local host-nation economy.

## Types of Contracts

According to Joint Publication 4-0, there are three broad categories in which contractors provide support: systems support, external theater support, and theater support.<sup>25</sup> In most cases, these contracts are let on behalf of the DoD to benefit using new or existing contracts. However, during Operation Southern Watch and the buildup to Operation Iraqi Freedom, the DoD relied heavily on contracts let by the Government of Kuwait on behalf of the DoD.

### System Support Contracts

System support contracts are fairly straightforward. These types of contracts provide life-cycle support for weapon and other systems fielded by the DoD. The types of systems being maintained include vehicles, aircraft, computer systems, and a command and control infrastructure. This support can be provided at the home base or can be for maintenance and support of equipment deployed forward.<sup>26</sup> Historically, weapon system developers would build a system, deliver it to the military, and then walk away. Now, the contractor is just as likely to build the weapon system and then remain with it to provide follow-on maintenance. One author attributed the growth of contractor-provided maintenance to a growing reliance on civilian technology adapted for military use. Complexity, combined with finite production runs, has made it uneconomical for the military to develop an organic repair capability.<sup>27</sup> Whatever the case, the DoD is seeing a large increase in system support contracts.

### External Support Contracts

External theater support contracts normally are contracts established and managed at the service level to provide support at deployed locations prior to the troops actually deploying. Services contracted via external support contracts include such items as roadbuilding, building airfields, channel dredging, stevedoring, transportation services, billeting, and food services.<sup>28</sup> These contracts provide support before, during, and after the deployment. They are an excellent means of allowing our overburdened soldiers, sailors, and airmen to return home after the contingency is won but before the need for follow-on support is complete. The Army, Air Force, and Navy each have indefinite-delivery, indefinite-quantity (IDIQ) contracts for support services and can call on the contracts as needs arise.<sup>29</sup>

The Army's IDIQ contract is the Logistics Civil Augmentation Program (LOGCAP) with Kellogg Brown and Root (KBR).<sup>30</sup> Recent work completed by KBR on LOGCAP was the establishment of an entire base camp in both Somalia and the Balkans.<sup>31</sup>

In preparation for Iraqi Freedom, KBR erected Army force-provider tent cities at the aerial port of debarkation and sea port of debarkation. These tent cities were erected in minimal time and provided the Army with much needed billeting and messing close to the port operations. In addition, KBR provided billeting and messing facilities at nearly every forward-deployed location in Kuwait.<sup>32</sup>

The Air Force IDIQ is known as the Air Force Contract Augmentation Program or AFCAP. AFCAP is a multiyear contract with readiness management support. Readiness management support has provided power generation and engineering support, built refugee camps in Kosovo, completed airfield upgrades in Ecuador, and provided backfill for deployed air traffic controllers.

The Navy IDIQ civilian augmentation program is called Construction Capabilities (CONCAP).<sup>33</sup> The multiyear contract with KBR has been used for dredging, communication facilities, and other activities that allow the Navy to stay within its force structure ceilings, as well as free Navy personnel for contingencies.<sup>34</sup>

LOGCAP, AFCAP, and CONCAP support joint US operations around the world, freeing military forces for those activities that actually require uniformed personnel. These contracts are very expensive, and the commander should ensure costs are controlled.<sup>35</sup> This is a task normally relegated to the contracting office; however, it is important. On the other hand, if the contractor is the only source of the service needed, it may not matter what the cost is.

### Theater Support Contracts

Theater support contractors provide contracted goods and services to the deployed commander via contracts let through a deployed contracting agent.<sup>36</sup> Contracting officers deploy before and during the operation to procure goods, services, and minor construction from sources such as local vendors or nearby sources.<sup>37</sup> Theater support contracts are designed to meet the immediate needs of the deployed commander.<sup>38</sup> As a requirement surfaces, the deployed contracting officer can respond rapidly by using a locally established contract agreement or by way of one-time purchase orders. In either case, the contract is intended to satisfy the need and provide the commander maximum flexibility.



## Host-Nation Contracts

During both Operation Desert Storm and Iraqi Freedom, the US military relied extensively on contract-let host nations via host-nation support agreements using host-nation contracting agents. These agreements permit the acquisition of goods and support from and by the host nation.<sup>39</sup> During Desert Storm, Saudi Arabia provided billions of dollars in support for items such as food, water, transportation, housing, and fuel. The United States would identify the requirement, and Saudi contracting officials would let a contract to satisfy the requirement.

During Iraqi Freedom, the United States relied on a similar arrangement with Kuwait. At the conclusion of Desert Storm, Kuwait and the United States established the Defense Cooperation Agreement (DCA), providing for a US presence in Kuwait for the purpose of military exercises. The DCA established the type of support the United States would provide, as well as the support Kuwait would provide, and how that support would be funded. The type of support provided by Kuwait was similar to the support provided by Saudi Arabia during Desert Storm. Just like the Saudis, the Kuwaitis negotiated some contracts on behalf of the United States, while in other cases, they allowed US contracting officers to let the contract and provided reimbursement via an account known as the Burden Sharing Account.<sup>40</sup>

Host-nation contracts covered the entire spectrum of support and provided the same benefits US contracts provide with the added benefit of using someone else's funding to provide support for our military. An important aspect was local contracting personnel familiar with the contracting practices unique to the Middle East let the contracts. These host-nation contracts were not without their problems.

civilian contractors refused to deploy to particularly dangerous parts of Iraq at the conclusion of the heavy battle portion of Iraqi Freedom. There are reports that soldiers had to go without fresh food, showers, and toilets for months. Even mail delivery fell weeks behind.<sup>44</sup> Unfortunately, the compunction of a contractor or contract employee to serve in the war zone cannot be measured ahead of time, so the commander must plan for this potential outcome.<sup>45</sup> It is not clear that we do this well. In fact, the Government Accounting Office (GAO) reports most combatant commanders do not do this at all.<sup>46</sup>

In the case of military members who refuse to perform, the commander can take specific Uniform Code of Military Justice (UCMJ) actions against them. This is not the case for the contract personnel. They are not bound by or held to the UCMJ. In fact, the commander does not have jurisdiction over the contractor. The contracting officer assigned to the deployed location holds the responsibility for contract personnel. The contracting officer can notify the contracting representative of a person's refusal to perform.<sup>47</sup> In addition, the contracting officer can terminate the contract for failure to perform; however, if the contract is for mission-critical support, by terminating the contract, a much larger problem is created.

## Dangers Posed to Contractors and by Contractors

Joint publication 4-0 states that contractors are responsible for force protection of their personnel unless contract terms place the responsibility within the DoD.<sup>48</sup> Regardless of where the responsibility is placed contractually, the media reports it as a US casualty, a US captive, or a US wounded without respect to who is at fault. The danger to civilians who work in the Persian Gulf was driven home in late January 2003 when two contractors

# News reports from Iraq indicate terrorists are actually targeting contractors and nongovernmental organization personnel because they are easy marks.

## Problems Associated with Contracting Support

As discussed earlier, there is an increased reliance on contractors to perform mission critical tasks. Simply stated it is impossible to deploy without them. While military personnel take an oath to support and defend, contracting personnel do not. They deploy but cannot be compelled to perform. In most cases, their only allegiance to the effort is to the corporate entity they are representing. Once Scuds start flying, the military commander cannot compel the contractor to perform. Although providing functions crucial to the combat effort, they are not soldiers. Private contractors are not obligated to take orders or to follow military codes of conduct. Their legal obligation is solely to an employment contract, not to their country.<sup>41</sup>

## When Contractor Personnel Refuse to Perform

News reports from Iraq indicate terrorists are actually targeting contractors and nongovernmental organization personnel because they are easy marks.<sup>2</sup> During the Persian Gulf War, a very small number of contractors working in Saudi Arabia left the country from fear that chemical weapons might be used.<sup>43</sup> Many

from Tapestry Solutions, Inc, a San Diego firm hired by the DoD to install computer software, were ambushed in Kuwait.<sup>49</sup> A Brown and Root mail clerk was killed in Baghdad when a bomb detonated under his truck.<sup>50</sup> The military is placing contractors in harm's way, and contractors are suffering casualties. In the case of the Tapestry Solutions contractor, they were traveling from Camp Doha, Kuwait, to Kuwait City. They were not following Camp Doha policy concerning force-protection measures. They were not wearing body armor or a protective helmet. In addition, the contractors were traveling alone as opposed to the two-vehicle policy stipulated for off-post travel by the Camp Doha commander. By not traveling in a two-vehicle convoy, they provided a soft target to the terrorists. From the graphic photos displayed on the front page of the *Kuwait News* and on the Internet, it is clear that a properly worn Kevlar helmet most likely would have saved the contractor's life.

Contractors also face the risk of capture. The United States currently has three military contractors who have been held in captivity in the Colombian jungle since 13 February 2003.<sup>51</sup> The Revolutionary Armed Forces of Colombia captured them after their plane was shot down. This contractor was providing military

training and intelligence operations in support of counterdrug operations in the region.

More recently, the threat of terrorism has raised concerns about whether it is wise for the military to use foreign workers at overseas installations.<sup>52</sup> This was particularly true in recent operations in Iraqi Freedom. Many of the third country nationals were from Egypt, Iran, India, Afghanistan, and other countries with heavy Islamic influence, as well as countries known to have a high number of anti-American factions within their country. In Kuwait, an effort was made to mitigate the risk by having the Kuwait Minister of the Interior, as well as the Intelligence Directorate of the Minister of Defense, conduct simultaneous background checks on the third country nationals. The Minister of the Interior was concerned with ensuring the third country national was in Kuwait with the proper identification, as well as ensuring the third country national did not have a criminal record either within Kuwait or in the country of origin. In the case of the Intelligence Directorate, it ensured the third country national did not have a heretofore-undisclosed terrorist affiliation. The United States, for its part, had differing methods of ensuring control of third country nationals. The Air Force limited the access the third country nationals had to critical areas of the base. Third country nationals could work outside the perimeter of the base unimpeded; however, any third country nationals working on

addition, the terms and conditions of the contract could prove to tie the military's hands or, even worse, be at cross purposes with the United States.

The Defense Cooperation Agreement between the United States and Kuwait stipulated Kuwait would provide food for forces deployed for Operation Southern Watch. During the preparatory phase to Iraqi Freedom, US Army and Air Force host-nation support personnel, working out of US Army Forces, US Central Command (ARCENT) FWD/S5, negotiated an extension of this contract to apply to all deployed soldiers. Further negotiation resulted in an agreement to include all military forces in the term *soldier*. However, the catering contract for US forces specifically excluded *nonsoldier personnel*, to include civilian employees and contractor employees.<sup>54</sup> The treatment of this portion of the contract, by both contracting personnel and the contractor, varied by deployed location within Kuwait, as well as by the military service interpreting this clause. The Army required contract and civilian personnel to sign for meals and reimburse the catering contractor.<sup>55</sup> The Air Force, on the other hand, did not require reimbursement. This was because the Air Force contract between deployed contract personnel and the Air Force was written such that the Air Force would provide meals for deployed contract personnel. At both Air Force locations within Kuwait, DoD civilian and contractors were not required to sign or pay for their meals. When the issue was raised by services

## **The DoD, in concert with the Department of State, needs to ensure contractor personnel deployed in support of a contingency are covered by a status of forces agreement.**

base were kept under the constant surveillance of military escorts. The Army, on the other hand, checked the third country nationals as they entered the post and then allowed the third country national unescorted access to the post.

Finally, the status of forces agreement negotiated with the host nation by the State Department discusses the protection provided US personnel serving within the host nation. However, only 5 of the 109 status of forces agreements in effect have any provisions for contractors. As a result, a myriad of issues arises concerning contract personnel. These include who has criminal jurisdiction should a contractor commit a crime, whether the contractor is subject to customs charges, how long contractors may serve in a country, as well as whether they are subject to country taxes.<sup>53</sup> Although not a major concern of the deployed commander, these factors can lead to increased contract costs, as well as risk to the contractor.

### **Host-Nation Contracts**

Although the host-nation support contracts provide incredible flexibility, they are not without problems. First among these is the fact the Federal Acquisition Regulation (FAR) does not apply. Some feel this is not necessarily a bad thing; however, the purpose of the FAR is not to tie the commanders' hands but rather to ensure the military gets the goods and services it contracts for at a fair price, from a reputable source. Although one would hope that host-nation negotiated and funded contracts are for a fair price and from a reputable source, that is not a guarantee. In

personnel at Ali Al Salem AB, base legal personnel assigned to Ali Al Salem and ARCENT/S5 personnel agreed it was a problem, but neither could reach a reasonable solution to fix it. Although identified as an issue, the problem was not resolved by the start of the war.

Another problem with these contracts is the fact they were let by another government. The other government spelled out the requirements, and performance is managed and monitored by the another government. As long as the contractor is providing the goods and services the United States wants, there is no problem; however, who has the stick should the contractor not perform? For example, at one location in Kuwait, the host-nation contractor was charging the Air Force for repair of contractor-provided equipment—equipment the contractor was required to fix per the contract with the host nation. The deployed contracting officer unwittingly let a contract directly with the contractor for repair of contractor-furnished equipment. When asked why the contracting office was doing this, they stated, "That's the way it's been done for the last three 90-day deployments." This was not only a waste of US dollars but also fraud on the part of the contractor.

### **Recommendations**

The DoD needs to improve its visibility over contractor personnel at deployed locations, and deployed commanders need visibility of all personnel they are responsible for. It is irrelevant whether responsibility is as a result of chain of command or contract. The



important issue is visibility. Visibility is important so the commander can adequately address force protection issues as well as support issues. The deployed contracting officer should maintain a database of all contract personnel with access to the deployed location and the deployed commander's responsibility with respect to the contract employee. In the case of host-nation support contract employees, the deployed commander's responsibility simply may be to provide access to the worksite. On the other hand, in the case of contractor personnel deployed from the United States in support of fielded systems, the commander may be responsible for all support necessary for the contract personnel, to include force protection.

The GAO has cited combatant commanders twice for failing to develop a contingency plan should contractors refuse to work. As stated earlier, this is not a what-if exercise—the DoD has experienced contractor personnel's refusing to work both in Desert Storm and Iraqi Freedom. Combatant commanders, as well as the Services, need to develop plans to ensure continuity of service should the contractor refuse to work. In addition, they need to analyze the impact of losing a capability should the contract personnel refuse to perform. Such a loss of sensitive equipment and systems would have a degrading effect on the deployed commander's ability to perform the mission.<sup>56</sup> In the case where the impact is too costly, the service should consider bringing that system support back into the force.<sup>57</sup>

The DoD, in concert with the Department of State, needs to ensure contractor personnel deployed in support of a contingency are covered by a status of forces agreement. Leaving contract personnel to fend for themselves could prove to be problematic, as well as costly. Getting contractor personnel to deploy to locations where they are not covered by a status of forces agreement may be even tougher. As stated earlier, 5 out of the 109 status of forces agreements the United States has contain provisions for contract employees.

According to the GAO, the amount of guidance concerning contractors deployed forward varies considerably by service. The GAO stated the Army does the best job of providing published guidance to the deployed commander and contracting officer, while the Navy and Air Force fall short.<sup>58</sup> Although there is a joint publication on the issue, there need to be service-specific publications for deployed commanders. This doctrine needs to cover the responsibilities of the forward deployed commander with respect to contracts. The doctrine should cover all aspects of the care and feeding of contractor personnel and who will assume responsibility.

The short duration of AEF cycles also was cited as a problem by the GAO, a problem this author experienced firsthand in Kuwait. Ninety days did not seem to be enough time for the contracting officer to become acquainted with the nuances of all the contracts the contracting officer was responsible for, let alone the host-nation contracts. The Air Force acknowledged the issue and had extended contracting personnel to Iraqi Freedom.<sup>59</sup> In addition, the Air Force should consider staggering the deployment and redeployment of contracting personnel serving under the contracting officer. Although this approach is counter to the AEF rotation plan, it would serve to ensure there is continuity at the deployed location.

The DoD needs to develop standard procedures for dealing with host-nation support contracts and contractor personnel. Host-nation contracts provided a significant portion of base

support during Desert Storm and Iraqi Freedom. However, how well deployed forces understood the process and could work with host-nation contractor personnel was mixed at best. The Army seemed to have a better grasp on the issue, whereas the Air Force, at least in locations in Kuwait, did not seem to have a clear understanding of host-nation contract responsibilities. As a result, there were many cases where the Air Force contracting officer let duplicative contracts for a service contracted for by the host nation. In some cases, the contractor was being paid by the host nation and the United States for the same service. There were many reasons cited for the duplicative contracts, the most prevalent was the contract was set up before the current batch of contractor personnel rotated in for their 90-day rotation.

## Conclusions

Since the Revolutionary War, the United States has relied on contractors on or near the battlefield. Although the DoD has experienced ebbs and flows in the use of contractors, reductions in force structure and budgets have put the DoD in a position where it is increasingly reliant on contractor support to achieve the mission. Where the contractor once was called on to perform support tasks such as long-haul trucking and mess hall support, they are now being called on to perform tasks in direct support of the mission. The increased reliance on contractors has increased their presence near and on the battlefield. Their presence has created a myriad of issues the DoD is still coming to grips with.

First among these issues is the status contractors enjoy while serving in the forward-deployed location. As stated earlier, there are only a handful of nations that include status of contractor employees in their status of forces agreements with the United States. The State Department, in tandem with the DoD, needs to address these issues with the countries where we are most likely to serve.

Second, the service doctrine needs to change to place increased emphasis on the status of forward deployed contractors. The Army has a head start on the other services, but its doctrine could serve as a boilerplate for the Navy and Air Force. This doctrine should address such issues as the force protection forward-deployed commanders will afford deployed contractor personnel. In addition, it should address the authority the forward-deployed commander has over deployed contractors should they fail to comply with published guidelines.

Third, combatant commanders should comply with the findings and recommendations put forth by the GAO to identify those critical missions currently contracted out that are so critical as to warrant developing an organic capability.

Fourth, the Services need to develop a methodology to determine whether contracting out is actually saving the military money and manpower. The Office of the Secretary of Defense should establish an office for analyzing whether the combatant commanders are actually saving by using contractor support.

Fifth, issues regarding host-nation support contracts need further clarification as well. The DoD has relied on these types of contracts during both wars with Iraq. No doubt they will be used in the future.

Finally, the combatant commander needs to develop a tool to keep track of contractor personnel in the area of operation. This may be as simple as an off-the-shelf database. The importance is

not the methodology but rather the fact combatant commanders are accounting for contractor personnel deployed to their area of responsibility.

Contractors have become an integral part of the mission. The DoD is more reliant on contractors than ever before. The push to downsize the military and privatize functions means government contracts are a growth industry. The DoD needs to address issues regarding contractors on the battlefield.

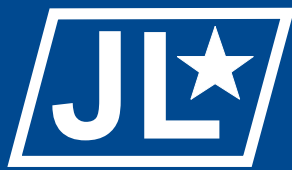
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*Colonel Manker is chief of Fighter and Bomber Procurement, Office of the Assistant Secretary of the Air Force, Financial Management and Comptroller. At the time of the writing of this article, he was a student at the Air War College. Colonel Williams is on the faculty at the Air War College, Maxwell AFB, Alabama.*







# AIR FORCE JOURNAL of LOGISTICS

Volume XXVIII,  
Number 3  
Fall 2004

A part grouping system, however, effectively leverages a supply chain by arranging the production of individual items into groups that are based on common manufacturing processes.

## Part Grouping

Angioplasty for the Supply Chain

**H**ey, *loggie* warfighter, your aged weapon systems are full of *tired iron*, you have diminishing manufacturing sources for mission critical spare parts, your industrial base is getting colder, and lead times are getting longer each day.

**Agile Combat Support**

Logistically, you have hardening of the arteries.



Colonel Michael C. Yusi, USAF

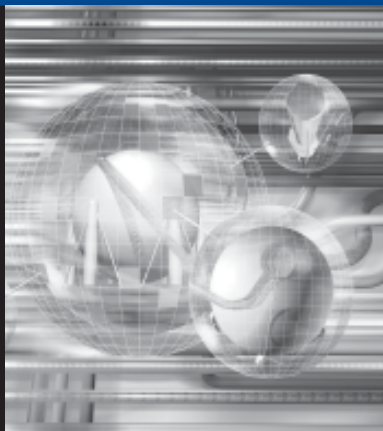
The Editorial Advisory Board selected "Part Grouping"—written by Colonel Michael C. Yusi, USAF, Vol XXVII, No 1—as the most significant article to appear in the *Air Force Journal of Logistics* in 2003.

The Japanese were not the first to ignore the importance and vulnerability of logistics.

## Oil Logistics In the Pacific War

Lieutenant Colonel  
Patrick H. Donovan, USAF

As long ago as 1187, history shows that logistics played a key part in the Muslim's victory over the Crusaders at the Battle of Hittin. The Muslim commander Saladin captured the only water source on the battlefield and denied its use to the Crusaders.



The Editorial Advisory Board selected "Oil Logistics in the Pacific War"—written by Lieutenant Colonel Patrick H. Donovan, USAF—as the most significant article to appear in Vol XXVIII, No 1 of the *Air Force Journal of Logistics*.

Lieutenant Colonel Joseph E. Diana, USAF

## Improving Bare-Base Agile Combat Support

A Comparative Analysis Between Land Basing and Afloat Prepositioning of Bare-Base Support Equipment

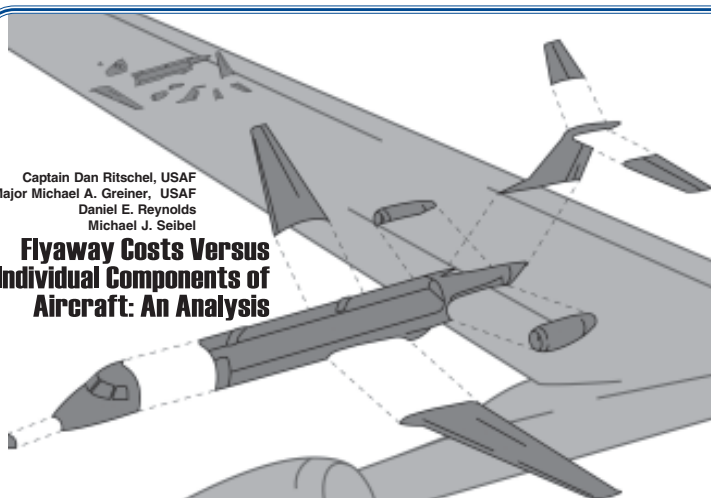
To improve Air Force agility in establishing bare-base operations, RAND and the Air Force Logistics Management Agency analyzed current conditions separately and recommended potential solutions.



The Editorial Advisory Board selected "Improving Bare-Base Agile Combat Support: A Comparative Analysis Between Land Basing and Afloat Prepositioning of Bare-Base Support Equipment"—written by Lieutenant Colonel Joseph E. Diana, USAF—as the most significant article to appear in Vol XXVIII, No 2 of the *Air Force Journal of Logistics*.

Captain Dan Ritschel, USAF  
Major Michael A. Greiner, USAF  
Daniel E. Reynolds  
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## Flyaway Costs Versus Individual Components of Aircraft: An Analysis



The staff of the *Air Force Journal of Logistics* selected "Flyaway Costs Versus Individual Components of Aircraft: An Analysis"—written by Captain Dan Ritschel, USAF; Major Michael A. Greiner, USAF; Daniel E. Reynolds, and Michael J. Seibel, Vol XXVII, No 4—as the best article written by a junior officer to appear in the *Air Force Journal of Logistics* in 2003.